

#### **PART IV**

##### **ITEM 15 EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K**

(a)(1) Financial Statements (located on pages F-1 through F-27 of this report)

- Independent Auditors' Report
- Report of Independent Public Accountants
- Consolidated Balance Sheets as of December 31, 2002 and 2001
- Consolidated Statements of Operations for the years ended December 31, 2002, 2001 and 2000
- Consolidated Statements of Stockholders' Equity for the years ended December 31, 2002, 2001 and 2000
- Consolidated Statements of Cash Flows for the years ended December 31, 2002, 2001 and 2000
- Notes to Consolidated Financial Statements

(a)(2) Financial Statement Schedules

- *Report of Independent Public Accountants on Financial Statement Schedule is located on page S-1 of this report*
- *Valuation and Qualifying Accounts for the years ended December 31, 2002, 2001 and 2000 is located on page S-2 of this report*

(a)(3) The exhibits filed in response to Item 601 of Regulation S-K are listed in the Exhibit Index starting on page E-1 of this report

(b) Reports on Form 8-K

- Allegiance Telecom, Inc. filed a Form 8-K on November 27, 2002, which reported under Item 5 an amendment to its Credit and Guaranty Agreement and the issuance of a press release relating to that amendment

#### SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934 as amended the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on September 2 2003

ALLEGIANCE TELECOM INC

By /s/ MARK B TRESNOWSKI

*Mark B Tresnowski, Executive Vice President General  
Counsel and Secretary*

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## INDEX TO EXHIBITS

EXHIBIT NO	DESCRIPTION
3 1	Amended and Restated Certificate of Incorporation (incorporated herein by reference to Exhibit 3 1 to Allegiance Telecom, Inc 's Form 10-Q for the period ended June 30, 1998)
3 2	Certificate of Correction to Amended and Restated Certificate of Incorporation (incorporated herein by reference to Exhibit 3 2 to Allegiance Telecom Inc 's Form 10-K for the period ended December 31 1998)
3 3	Certificate of Amendment to Amended and Restated Certificate of Incorporation (incorporated herein by reference to Exhibit 4 1 to Allegiance Telecom, Inc 's Form 10-Q for the period ended September 30 2001)
3 4	Amended and Restated By-Laws (incorporated herein by reference to Exhibit 3 2 to Allegiance Telecom Inc 's Form 10-Q for the period ended June 30, 1998)
4 1	Indenture dated as of July 7, 1998, by and between Allegiance Telecom, Inc and The Bank of New York, as trustee (including the Form of Notes) (incorporated herein by reference to Exhibit 4 1 to Allegiance Telecom Inc 's Registration Statement on Form S-1 as amended Registration No 333-69543)
4 2	Indenture dated as of February 3 1998, by and between Allegiance Telecom Inc and The Bank of New York, as trustee (incorporated herein by reference to Exhibit 4 2 to Allegiance Telecom, Inc 's Registration Statement on Form S-4, as amended Registration No 333-49013 (the "Form S-4 Registration Statement"))
4 3	Form of 11 1/4% Senior Discount Notes (incorporated herein by reference to Exhibit 4 3 to the Form S-4 Registration Statement)
4 4	Collateral Pledge and Security Agreement, dated as of July 7, 1998, by and between Allegiance Telecom, Inc and The Bank of New York as trustee (incorporated herein by reference to Exhibit 4 4 to Allegiance Telecom, Inc 's Registration Statement on Form S-1, as amended, Registration No 333-69543)
10 1	Stock Purchase Agreement, dated August 13 1997, between Allegiance Telecom LLC and Allegiance Telecom, Inc (incorporated herein by reference to Exhibit 10 1 to the Form S-4 Registration Statement)
10 2	Termination of Board Voting Agreements, dated February 14, 2003, among Allegiance Telecom, Inc , Royce J Holland, the Royce J Holland Family Limited Partnership, Thomas Lord (individually and on behalf of Brian Lord and Colin Lord), Victoria Lord, C Daniel Yost, Anthony Parella, Frontenac VII Limited Partnership, Frontenac Masters VII Limited Partnership, Madison Dearborn Capital Partners II, L P , Morgan Stanley Capital Partners III, L P , MSCP III 892 Investors, L P and Morgan Stanley Capital Investors, L P
10 3	Securityholders Agreement dated August 13, 1997, among Allegiance Telecom LLC, Allegiance Telecom, Inc and certain venture fund and management investors (incorporated herein by reference to Exhibit 10 2 to the Form S-4 Registration Statement)
10 4	Amended and Restated Registration Agreement, dated September 13, 1999, among certain stockholders and Allegiance Telecom, Inc (incorporated herein by reference to Exhibit 99 4 to Allegiance Telecom, Inc 's Form 8-K filed with the SEC on September 22, 1999)

- 10.5 Warrant Registration Rights Agreement dated as of January 29, 1998, by and among Allegiance Telecom, Inc. and Morgan Stanley & Co. Incorporated, Salomon Brothers Inc., Bear Stearns & Co. Inc. and Donaldson Lufkin & Jenrette Securities Corporation as initial purchasers of the 11 1/4% Senior Discount Notes (incorporated herein by reference to Exhibit 10.11 to the Form S-4 Registration Statement)
- 10.6 Warrant Agreement dated February 3, 1998, by and between Allegiance Telecom, Inc. and The Bank of New York, as Warrant Agent (including the form of the Warrant Certificate) (incorporated herein by reference to Exhibit 10.9 to the Form S-4 Registration Statement)
- +10.7 Allegiance Telecom, Inc. 1997 Nonqualified Stock Option Plan (incorporated herein by reference to Exhibit 10.4 to the Form S-4 Registration Statement)
- +10.8 Allegiance Telecom, Inc. 1998 Stock Incentive Plan (incorporated herein by reference to Exhibit 10.6 to Allegiance Telecom, Inc.'s Registration Statement on Form S-1 as amended Registration No. 333-53479)
- +10.9 First Amendment to the Allegiance Telecom, Inc. 1998 Stock Incentive Plan (incorporated herein by reference to Exhibit 10.7 to Allegiance Telecom, Inc.'s Form 10-K for the period ended December 31, 1998)
- +10.10 Second Amendment to the Allegiance Telecom, Inc. 1998 Stock Incentive Plan (incorporated herein by reference to Exhibit 10.8 to Allegiance Telecom, Inc.'s Form 10-K for the period ended December 31, 1999)
- +10.11 Third Amendment to the Allegiance Telecom, Inc. 1998 Stock Incentive Plan (incorporated herein by reference to Exhibit 10.9 to Allegiance Telecom, Inc.'s Form 10-K for the period ended December 31, 2000)
- +10.12 Fourth Amendment to the Allegiance Telecom, Inc. 1998 Stock Incentive Plan (incorporated herein by reference to Exhibit 10.10 to Allegiance Telecom, Inc.'s Form 10-K for the period ended December 31, 2001)
- +10.13 Fifth Amendment to the Allegiance Telecom, Inc. 1998 Stock Incentive Plan (incorporated herein by reference to Exhibit 4.12 to Allegiance Telecom, Inc.'s Form S-8 filed with the SEC on July 8, 2002)
- +10.14 Sixth Amendment to the Allegiance Telecom, Inc. 1998 Stock Incentive Plan
- +10.15 Amended and Restated Executive Purchase Agreement, dated December 13, 1999, between Allegiance Telecom, Inc. and Royce J. Holland (incorporated herein by reference to Exhibit 10.9 to Allegiance Telecom, Inc.'s Form 10-K for the period ended December 31, 1999)
- +10.16 *Amended and Restated Executive Purchase Agreement*, dated December 13, 1999, between Allegiance Telecom, Inc. and Thomas M. Lord (incorporated herein by reference to Exhibit 10.10 to Allegiance Telecom, Inc.'s Form 10-K for the period ended December 31, 1999)
- +10.17 Amended and Restated Executive Purchase Agreement, dated December 13, 1999, between Allegiance Telecom, Inc. and C. Daniel Yost (incorporated herein by reference to Exhibit 10.11 to Allegiance Telecom, Inc.'s Form 10-K for the period ended December 31, 1999)

- +10 18 Form of Executive Purchase Agreement among Allegiance Telecom LLC, Allegiance Telecom, Inc. and each of certain management investors (incorporated herein by reference to Exhibit 10.8 to the Form S-4 Registration Statement)
- 10 19 Secured Promissory Note of G. Clay Myers dated December 6, 1999 and Amended and Restated Pledge Agreement between G. Clay Myers and Allegiance Telecom, Inc. dated June 7, 2001 (incorporated herein by reference to Exhibit 10.15 to Allegiance Telecom, Inc.'s Form 10-K for the period ended December 31, 2001)
- 10 20 Full Recourse Promissory Note of Anthony J. Parella dated November 1, 2001 and Pledge Agreement between Anthony J. Parella and Allegiance Telecom Company Worldwide dated November 1, 2001 (incorporated herein by reference to Exhibit 10.16 to Allegiance Telecom, Inc.'s Form 10-K for the period ended December 31, 2001)
- +10 21 Form of Restricted Stock Agreement dated June 7, 2002, between Allegiance Telecom, Inc. and each of Royce Holland, Dan Yost, Tom Lord, Tony Parella, Mark Tresnowski and other senior officers
- +10 22 Form of Amendment No. 1 to Allegiance Telecom, Inc. Restricted Stock Agreement dated November 5, 2002, between Allegiance Telecom, Inc. and each of Royce Holland, Dan Yost, Tom Lord, Tony Parella, Mark Tresnowski and other senior officers
- +10 23 Form of Amendment No. 2 to Allegiance Telecom, Inc. Restricted Stock Agreement dated February 24, 2003, between Allegiance Telecom, Inc. and each of Royce Holland, Dan Yost, Tom Lord, Tony Parella, Mark Tresnowski and other senior officers
- +10 24 Form of Restricted Stock Agreement dated June 7, 2002, between Allegiance Telecom, Inc. and each of Tony Parella, Mark Tresnowski and other officers
- +10 25 Form of Restricted Stock Agreement dated June 7, 2002, between Allegiance Telecom, Inc. and each of Reed Hundt and Andrew Lipman
- +10 26 Form of Amendment No. 1 to Allegiance Telecom, Inc. Restricted Stock Agreement dated September 12, 2002, between Allegiance Telecom, Inc. and each of Reed Hundt, Andrew Lipman, Tony Parella, Mark Tresnowski and other officers
- +10 27 Form of Amendment No. 2 to Allegiance Telecom, Inc. Restricted Stock Agreement dated February 28, 2003, between Allegiance Telecom, Inc. and each of Reed Hundt, Andrew Lipman, Tony Parella, Mark Tresnowski and other officers
- 10 28 Form of Indemnification Agreement by and between Allegiance Telecom, Inc. and its directors and officers (incorporated herein by reference to Exhibit 10.13 to the Form S-1 Registration Statement)
- 10 29 Master Procurement Agreement, dated April 28, 2000 between Allegiance Telecom, Inc. and Lucent Technologies Inc. (incorporated herein by reference to Exhibit 10.15 to Allegiance Telecom, Inc.'s Form 10-K for the period ended December 31, 2000)

- 10 30 Credit and Guaranty Agreement, dated February 15, 2000, among Allegiance Telecom, Inc., Allegiance Telecom Company Worldwide, certain subsidiaries of Allegiance Telecom, Inc., various lenders Goldman Sachs Credit Partners L.P., a Syndication Agent and Sole Lead Arranger Toronto Dominion (Texas) Inc., as Administrative Agent and BankBoston N.A. and Morgan Stanley Senior Funding Inc., as Co-Documentation Agents (incorporated herein by reference to Exhibit 10 16 to Allegiance Telecom Inc.'s Form 10-K for the period ended December 31 1999)
- 10 31 First Amendment dated November 27, 2002, among Allegiance Telecom Inc., Allegiance Telecom Company Worldwide, certain subsidiaries of Allegiance Telecom, Inc., various lenders, Goldman Sachs Credit Partners L.P., as Syndication Agent and Sole Lead Arranger General Electric Capital Corporation (as successor in interest to Toronto Dominion (Texas) Inc.), as Administrative Agent and BankBoston N.A. and Morgan Stanley Senior Funding Inc. as Co-Documentation Agents (incorporated herein by reference to Exhibit 99 2 to Allegiance Telecom Inc.'s Form 8-K filed with the SEC on November 27 2002)
- 10 32 Integrated Network Solution Purchase Agreement, between Allegiance Telecom Company Worldwide and Genuity Solutions Inc., dated July 24, 2000 as amended by Amendment One to Integrated Network Solution Purchase Agreement dated September 29, 2000 Amendment Two to Integrated Network Solution Purchase Agreement dated December 29 2000 and Amendment Three to Integrated Network Solution Purchase Agreement dated December 31 2001 (incorporated herein by reference to Exhibit 10 21 to Allegiance Telecom, Inc.'s Form 10-K for the period ended December 31 2001)
- 10 33 Amendment Four to Integrated Network Solution Purchase Agreement dated August 21, 2002 (incorporated herein by reference to Exhibit 10 1 to Allegiance Telecom Inc.'s Form 10-Q for the period ended September 30 2002)
- 11 1 Statement Regarding Computation of Per Share Earnings (Loss) for the year ended December 31, 2002
- 11 2 Statement Regarding Computation of Per Share Earnings (Loss) for the year ended December 31, 2001
- 11 3 Statement Regarding Computation of Per Share Earnings (Loss) for the year ended December 31, 2000
- 21 1 Subsidiaries of Allegiance Telecom, Inc
- \*23 1 Consent of KPMG LLP
- 24 1 Power of Attorney (included in the signature page to this report)
- \*31 1 Certification of the Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
- \*31 2 Certification of the Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
- \*32 1 Certification of the Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

\*32.2 Certification of the Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

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\* Filed in this Form 10-K/A. All other exhibits that are not incorporated herein by reference were previously filed with the Form 10-K filed with the Securities and Exchange Commission on March 31, 2003.

+ Management contract or compensatory plan or arrangement

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*Consent of Independent Auditors*

The Board of Directors  
Allegiance Telecom, Inc.

We consent to incorporation by reference in the Registration Statements previously filed on Form S-8 (Nos. 333-60486, 333-46866, 333-10402, 333-70769, 333-73453, 333-86260, 333-92062) and on Form S-3 (No. 333-101997) of Allegiance Telecom, Inc. of our report dated March 3, 2003, related to the consolidated balance sheet of Allegiance Telecom, Inc. and subsidiaries as of December 31, 2002, and the related consolidated statements of operations, stockholders' equity, and cash flows for the year then ended and the 2002 financial statement schedule, which report appears in the December 31, 2002 annual report on Form 10-K/A of Allegiance Telecom, Inc.

Our report includes an explanatory paragraph that states the Company has suffered recurring losses from operations and is dependent on additional external financing to meet current debt repayment requirements which raises substantial doubt about its ability to continue as a going concern. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Our report on the consolidated financial statements also refers to the adoption of the provisions of Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets," in 2002.

KPMG LLP

Dallas, Texas  
September 2, 2003

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CERTIFICATION

I, Royce J. Holland, certify that:

1. I have reviewed this Amendment No. 1 to Form 10-K for the period ended December 31, 2002 of Allegiance Telecom, Inc.
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.
3. Based on my knowledge, the financial statements and other financial information included in this report fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of and for the periods presented in this report.
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
  - (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: September 2, 2003

/s/ ROYCE J. HOLLAND

Royce J. Holland, Chairman and Chief Executive Officer

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CERTIFICATION

I, Thomas M. Lord, certify that:

1. I have reviewed this Amendment No. 1 to Form 10-K for the period ended December 31, 2002 of Allegiance Telecom, Inc.
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.
3. Based on my knowledge, the financial statements, and other financial information included in this report fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of and for the periods presented in this report.
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
6. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: September 2, 2003

/s/ THOMAS M. LORD

Thomas M. Lord, Executive Vice President of Corporate Development and Chief Financial Officer

**SECTION 906 CERTIFICATION**

The undersigned hereby certifies, in accordance with 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, in his capacity as an officer of Allegiance Telecom, Inc. (the "Company") that, to his knowledge, the Annual Report of the Company on Form 10-K/A for the period ended December 31, 2002, fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 and that the information contained in such report fairly presents in all material respects, the financial condition and results of operation of the Company.

Dated September 2, 2003

By /s/ ROYCE J. HOLLAND

Name Royce J. Holland

Title Chairman and Chief Executive Officer

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SECTION 906 CERTIFICATION

The undersigned hereby certifies in accordance with 18 U.S.C. 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, in his capacity as an officer of Allegiance Telecom, Inc. (the "Company"), that to his knowledge, the Annual Report of the Company on Form 10-K/A for the period ended December 31, 2002 fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 and that the information contained in such report fairly presents, in all material respects, the financial condition and results of operation of the Company.

Dated September 2, 2003

By

/s/ THOMAS M. LORD

Name: Thomas M. Lord

Title: *Executive Vice President of Corporate Development  
and Chief Financial Officer*

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